



Healthy People. Healthy Communities.

Department of Public Health & Human Services

Presentation to the 2013 Health and Human Services Joint Appropriation Subcommittee

HEALTH RESOURCES DIVISION

Department of Public Health and Human Services
Legislative Fiscal Division Budget Analysis, Section B, Page 122-149

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OVERVIEW

The Health Resources Division (HRD) administers Medicaid preventative, primary care and acute care services, the Healthy Montana Kids (HMK) benefit plan, and the Big Sky Rx program. Medicaid is a voluntary state/federal partnership that reimburses for medical services provided to the aged, blind, disabled, and low-income families. HMK is Montana's health care program for children; it matches state funds with federal Medicaid and CHIP dollars to reimburse for comprehensive health care. The Big Sky Rx is a premium assistance program that assists seniors in maintaining pharmacy benefit coverage. The Division manages over 60 separate medical services available statewide.

HRD reimburses providers for medically necessary services through a statewide network of private and public providers.

Some of the Medicaid Services managed by HRD include:

- pharmacy; dental; Durable Medical Equipment (DME); home infusion therapy; audiology; hearing aids; optometry; eyeglasses, therapies (physical, occupational and speech), transportation; ambulance; private duty nursing; nutrition, chiropractic services; physician services; mid-level practitioner; family planning; podiatry; physician-related laboratories; respiratory therapy; Critical Access Hospitals (CAHs); inpatient and outpatient hospital; ambulatory surgery centers; dialysis clinics; Federally Qualified Health Centers (FQHCs); Rural Health Clinics (RHCs).
- the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) to enhance early prevention, identification and treatment for children.
- medical services provided by tribal and Indian Health Services
- Medicaid Administrative Claiming (MAC); school based services and breast and cervical cancer program.
- drug rebate.
- the distribution of the hospital utilization fee which is collected by the Department of Revenue.
- healthcare programs that assist people in managing their healthcare needs including:
 - **Passport to Health** - a primary care case management program, provides a medical home for most people eligible for Medicaid and HMK *Plus*
 - **Team Care** - a more intensive program that manages people with high prescription drug utilization
 - **The Health Improvement Program** - a partnership with community and tribal health centers to provide care management and case management services to the top five percent of the Medicaid and HMK *Plus* populations at risk for high medical services utilization
 - **Nurse First** - a 24 hour, seven (7) day free nurse advice line available to all members of Medicaid, HMK, and HMK *Plus* for advice regarding symptoms or general health care questions

SUMMARY OF MAJOR FUNCTIONS

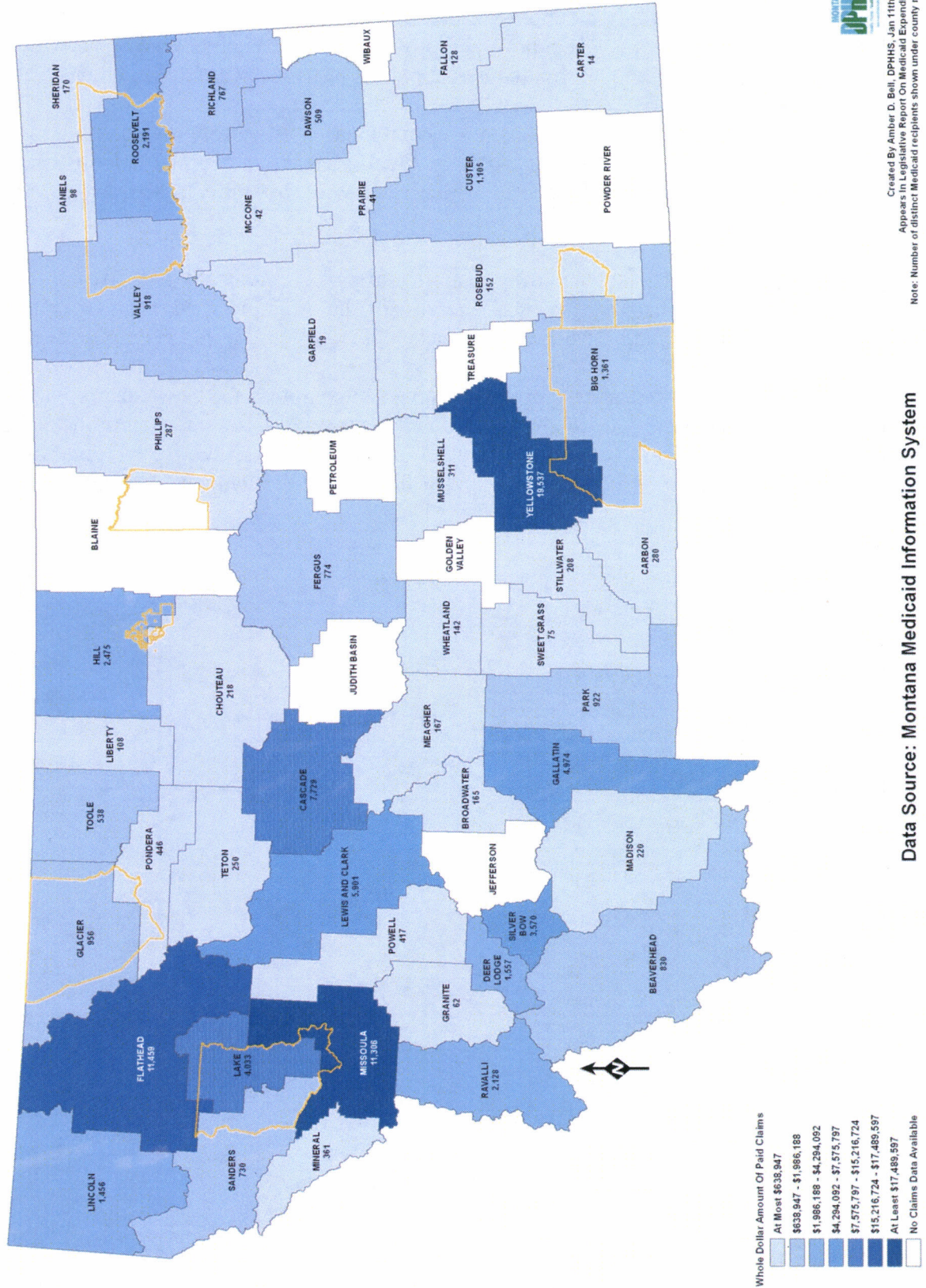
Hospital Services

Hospital Services are provided in Montana through a network of 15 acute care facilities and 45 critical access hospitals (CAH's) across the state. Medicaid reimburses for outpatient services, emergency care and inpatient hospitalizations. Providing these services in Montana is cost effective, supports Montana's healthcare system and helps assure access to health services for all Montanans.

Medicaid will cover hospital care outside of the state only in special circumstances. Out of state coverage is usually limited to services that are: 1) not available in Montana; 2) for people who live on the border who may normally get their health care in Washington, Idaho, Wyoming, North Dakota or South Dakota; or 3) for Montanans who have traveled outside the state and are in need of services.

The map below shows the distribution of payments for services throughout Montana, as well as the people serviced.

Hospitals and CAHs Medicaid Recipients And Dollar Amount Of Paid Claims By County



Data Source: Montana Medicaid Information System

Created By: Amber D. Bell, DPHHS, Jan 11th 2012
Appears in Legislative Report On Medicaid Expenditures
Note: Number of distinct Medicaid recipients shown under county name.

Pharmacy Services

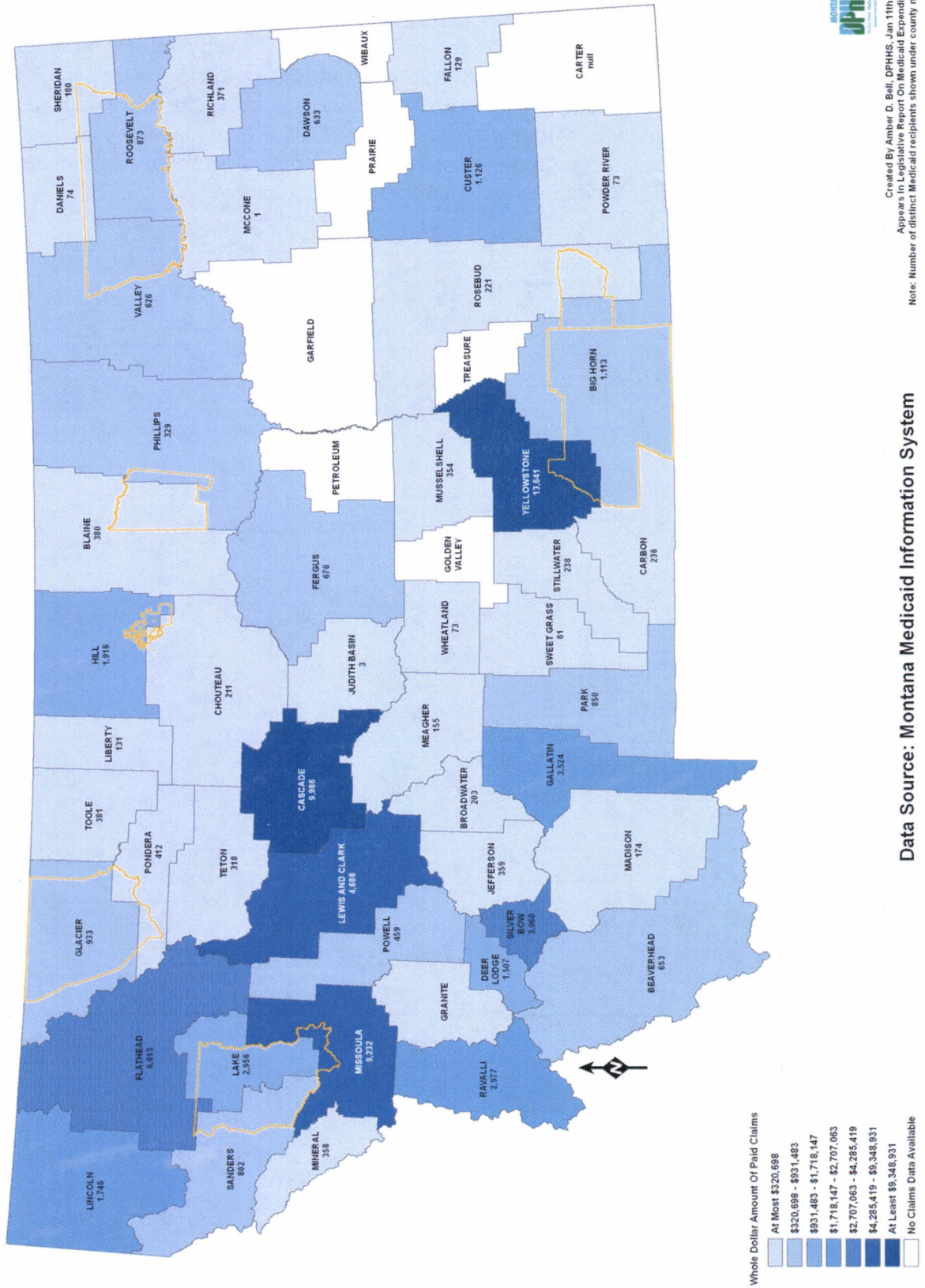
The Medicaid Pharmacy program supports a network of over 465 participating pharmacies to provide appropriately prescribed drugs. The program provides cost effective services across Montana and promotes appropriate use through provider education and pharmacy case management.

Drug coverage criteria is developed by physicians and pharmacists through the Drug Use Review Board, operating under a contract with Mountain-Pacific Quality Health. Coverage determinations balance the identification of cost effective alternatives while preserving flexibility based on professional medical judgment.

The Division collects rebates from drug manufacturers for Medicaid and Mental Health Services Program prescriptions. This effort reduces the cost of the program to Montana by approximately \$41 million per year while maintaining access and reasonable payment levels to community pharmacies.

The Big Sky Rx program is a state program designed to complement the Medicare Part D drug benefit by providing premium assistance to eligible Montanans. Big Sky Rx staff determines eligibility for the program. Individuals must have family income at or below 200% of the federal poverty level and must enroll in Medicare Part D. Big Sky Rx makes a full or partial payment of the Part D premium up to \$34.61 per month.

Pharmacy Medicaid Recipients And Dollar Amount Of Paid Claims By County



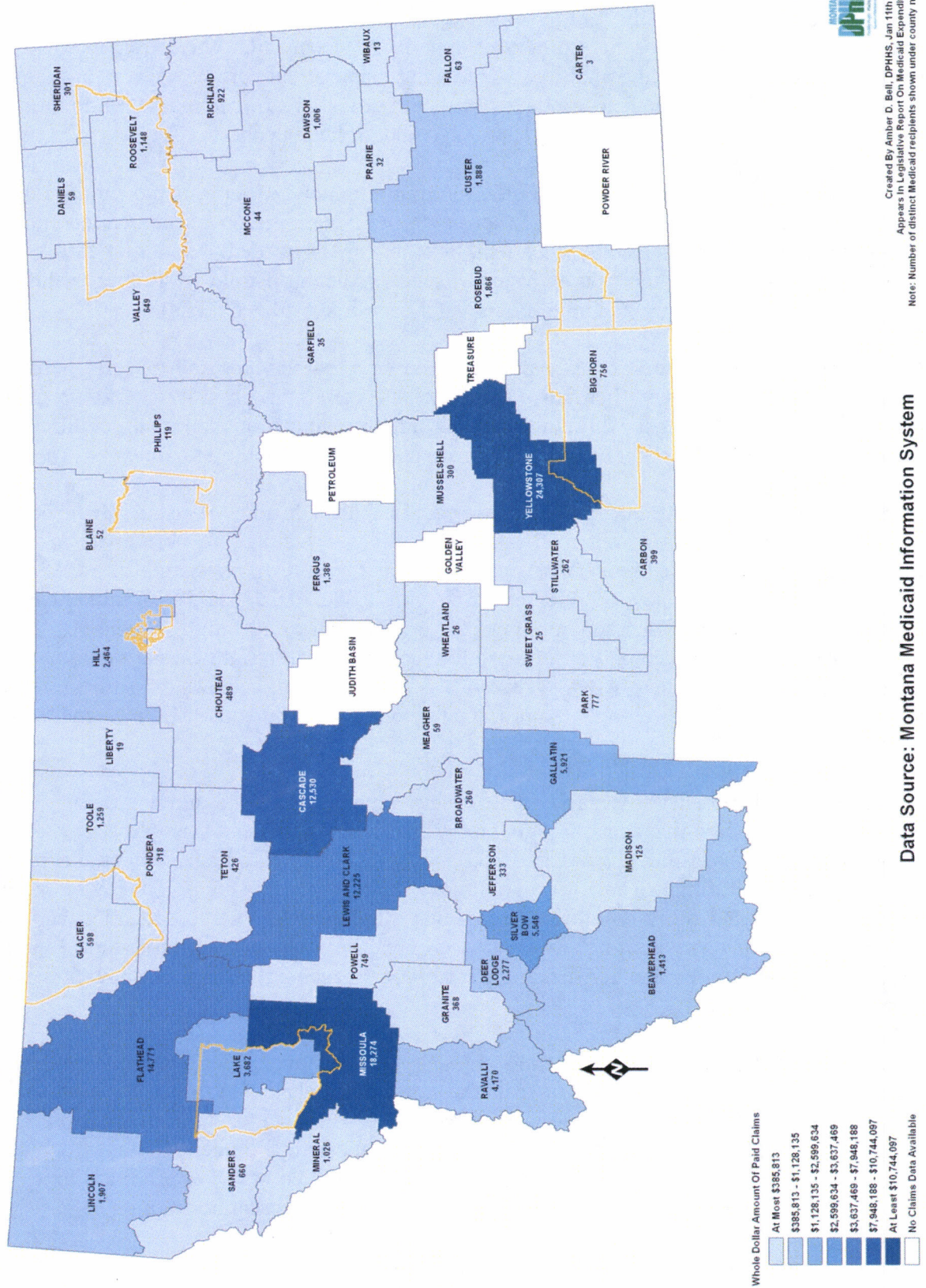
Data Source: Montana Medicaid Information System

Created By Amber D. Ball, DPHHS, Jan 11th 2012
Appears in Legislative Report On Medicaid Expenditures
Note: Number of distinct Medicaid recipients shown under county name.

Physician and Midlevel Providers Services

All Medicaid eligible individuals have access to services provided by physicians and midlevel providers. Medicaid reimburses for services including, but not limited to: office visits, lab tests, surgeries, childbirth, prenatal care and anesthesia. Approximately 82% of individuals receiving Medicaid services during a year will receive services from a physician or midlevel provider. Medicaid's provider network includes over 10,400 physicians and midlevel providers. Medicaid uses nationally developed payment structures, customized to Montana, to ensure equitable payments.

Physicians & Mid Levels Medicaid Recipients And Dollar Amount Of Paid Claims By County



Data Source: Montana Medicaid Information System

Created By Amber D. Bell, DPHHS, Jan 11th 2012
Appears in Legislative Report On Medicaid Expenditures
Note: Number of distinct Medicaid recipients shown under county name.

Care Management Programs

Passport to Health, Team Care, the Health Improvement Program, and Nurse First are operated under a Sec. 1915(b) waiver from the Centers for Medicare and Medicaid Services (CMS). In addition to improving health outcomes, these programs benefit physicians and other providers by decreasing non-urgent after-hours and daytime phone calls, reducing inappropriate office visits, educating people how to use health care, encouraging compliance with providers' treatment plans, reinforcing the provider-patient relationship, and encouraging self-management of health conditions.

Passport to Health provides a medical home for approximately 70% of people enrolled in Medicaid and HMK *Plus*. People enrolled in Passport choose a primary care provider who delivers most medical care and provides referrals for specialty, inpatient, or other care as needed. People not enrolled in Passport to Health include those enrolled in both Medicare and Medicaid; people with other health care coverage, those residing in institutions, and children in foster care or subsidized adoption.

Passport provides education about health care and covered services and offers a help line to answer questions about enrollment, benefits, and specialty care and providers. The program also sends reminders to parents to get well-child screens and immunizations for their children, and conducts member and provider satisfaction surveys that are used to enhance the programs.

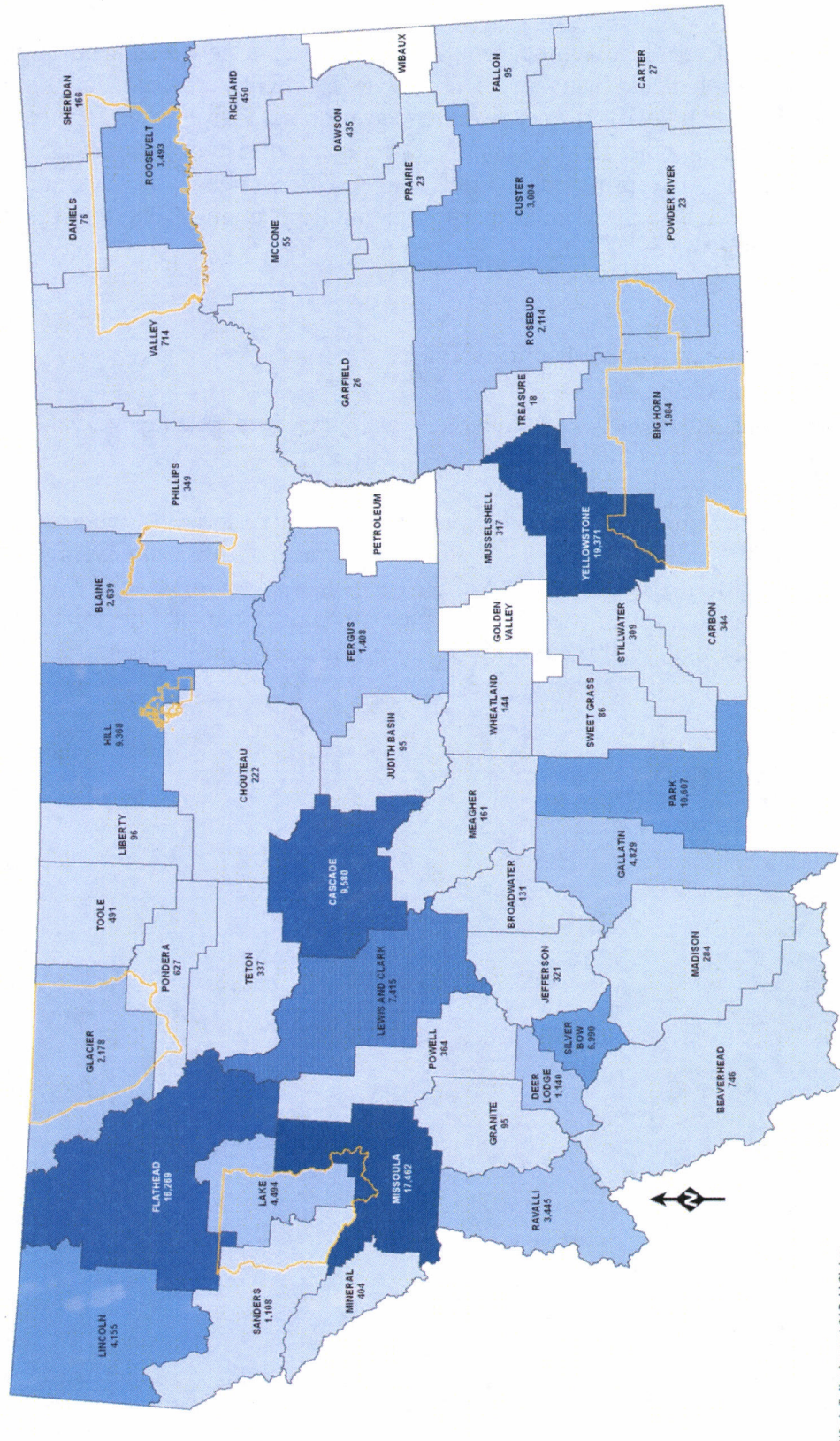
Team Care is a restricted card program for people with a history of using Medicaid services at an amount or frequency that is not medically necessary are required to participate in order to control utilization. People enrolled in Team Care are managed by a team consisting of a PASSPORT primary care provider, one pharmacy, the Nurse Advice line and DPHHS staff. Enrollment in Team Care is mandatory for eligible people and continues for a minimum of 12 months. Services include enhanced education and case management; ensuring individuals receive the right care at the right time in the right place. Individuals are identified for Team Care through claim reviews, provider referrals, and Drug Utilization Review Board referrals. Approximately 600 Medicaid and HMK *Plus* members are enrolled in Team Care.

The Health Improvement Program is a partnership between Medicaid and community and tribal health centers to provide care management and case management services to people at risk of incurring high medical costs. Many of the more than 3,000 people receiving care management and case management services in the Health Improvement Program have multiple chronic conditions, including mental health, substance abuse, and other co-morbid conditions. Individuals receive education and information to encourage self-management of health conditions. Health centers employ more than 30 nurses and other care managers to provide home visits and telephonic management to high risk individuals in all areas of the state.

Nurse First is a 24-hour nurse advice line available to all Montanans eligible for HMK, HMK *Plus*, and Medicaid. People are encouraged to call the nurse line when they are sick, hurt, or have a health concern or question. Callers speak to a nurse who directs them to the appropriate level of care: self-care at home, emergency department visits, or appointments with providers. Nurses use clinically-based algorithms to direct callers to the appropriate level of service at the appropriate time. Each caller's primary care provider receives a fax detailing calls with nurses' recommendations.

Nurse First also provides information on a range of medical topics, through the nurse advice line and through a web site. The nurse advice line receives about 600 calls a month.

Passport Medicaid Recipients And Dollar Amount Of Paid Claims By County



Whole Dollar Amount Of Paid Claims

- At Most \$25,944
- \$25,944 - \$108,903
- \$108,903 - \$183,814
- \$183,814 - \$362,172
- \$362,172 - \$468,994
- \$468,994 - \$797,002
- At Least \$797,002
- No Claims Data Available



Created By Amber D. Ball, DPHHS, Jan 11th 2012
Appears in Legislative Report On Medicaid Expenditures
Note: Number of distinct Medicaid recipients shown under county name.

Data Source: Montana Medicaid Information System

Family Planning

Plan First is a limited set of family planning benefits available to a new Medicaid eligibility group through a Section 1115(a) Medicaid waiver. The waiver is effective as of June 1, 2012, and is approved through December 31, 2013; it may be extended further. Plan First is for Montana women ages 19 through 44 years with no other family planning coverage, living in households at or below 200% of the federal poverty level. The program is limited to 4,000 women. Services and supplies are provided to those individuals where the primary purpose is family planning. The services can be either in a family planning or another medical setting.

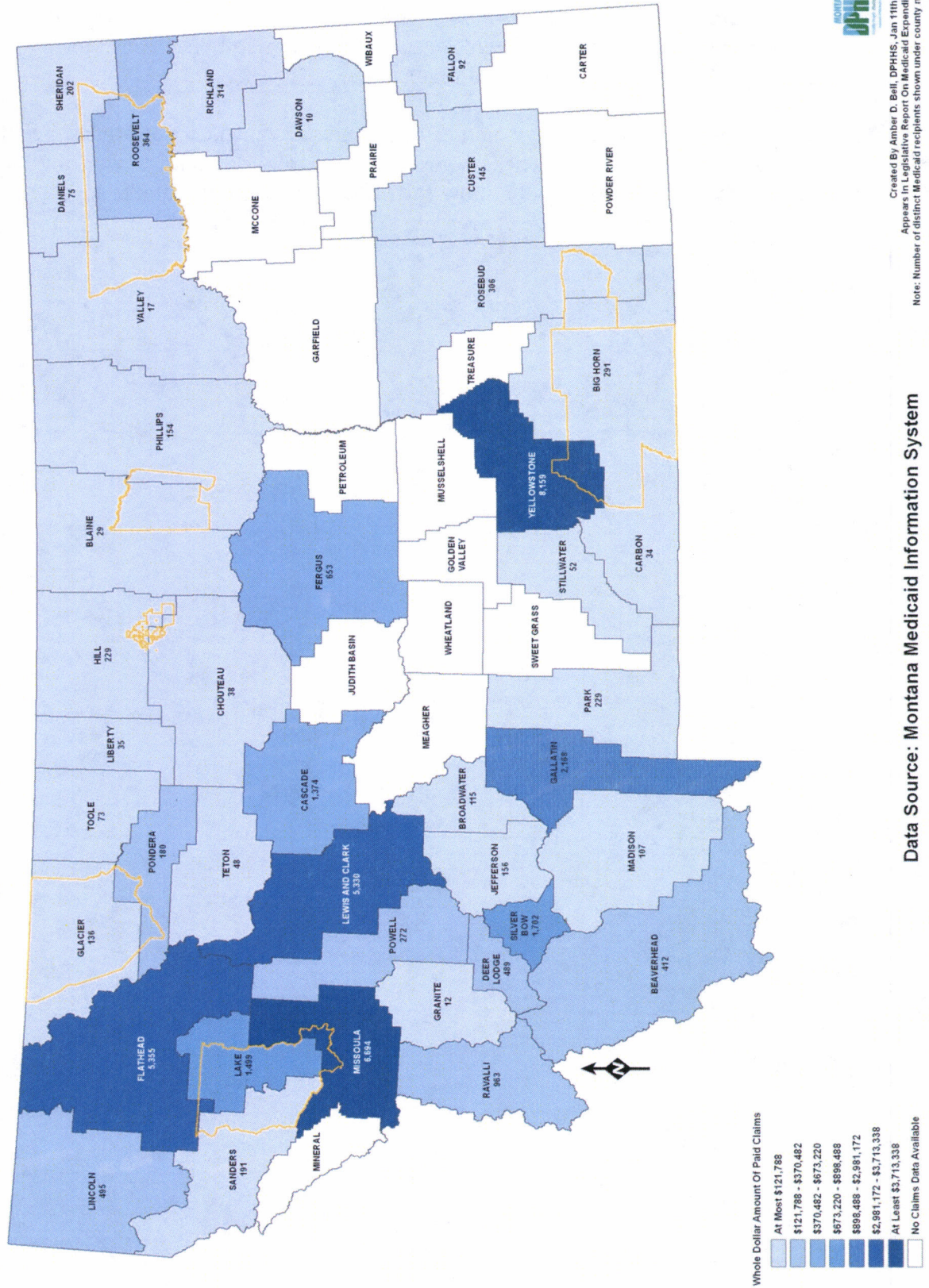
The goals of Plan First are:

- Improved access to and use of family planning services;
- Fewer unintended pregnancies; and
- Improved birth outcomes and women's health by increasing the child spacing interval.

Dental Services

The Medicaid Dental program provides diagnostic, preventive, basic restorative, dentures and extraction services to people with Full Medicaid benefits and some individuals with Basic coverage. Services are provided by Dentists, Denturists, Hygienist and Oral Surgeons that are enrolled with Medicaid, licensed and operating within their scope of their practice. People with Basic Medicaid benefits may qualify for dental services under the Essential for Employment or Emergency Services Programs.

Dental Medicaid Recipients And Dollar Amount Of Paid Claims By County

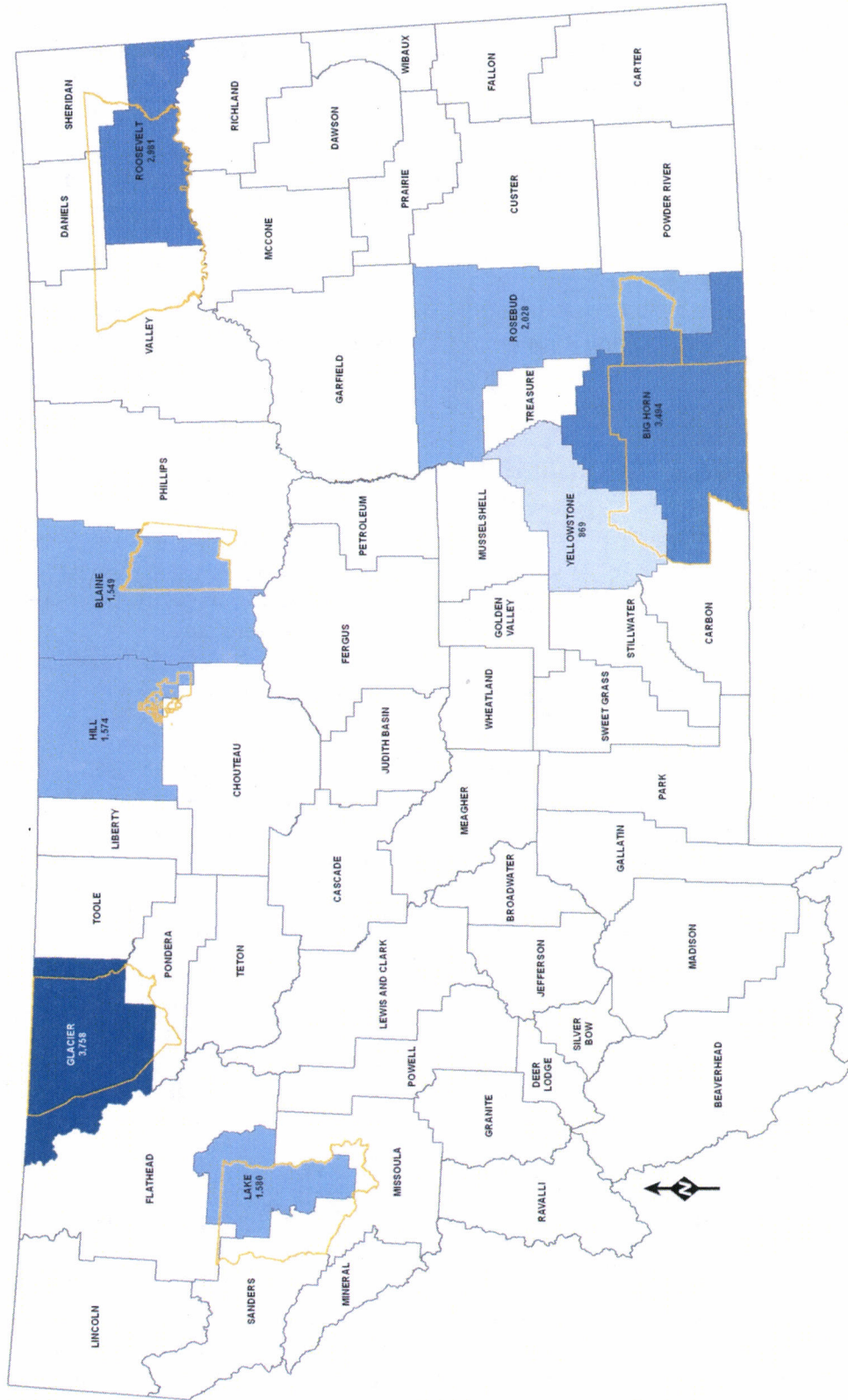


Tribal and Indian Health Services

Montana Medicaid provides funding for medical services to Medicaid-eligible Native Americans through an Indian Health Service (IHS) facility and other approved contracted tribal entities. The Medicaid program acts as the “pass-through” agency for IHS reimbursement, which is funded with 100% federal funds in accordance with federal regulations.

Reimbursement for these services allows Native Americans to expand the available health services in Indian country and allows for better access to medical care. Montana is working to expand the availability of services in these settings to allow for better access and culturally appropriate care. This service also supports building health care capacity to serve Native Americans.

Indian Health Services Medicaid Recipients And Dollar Amount Of Paid Claims By County



Whole Dollar Amount Of Paid Claims

- At Most \$560,209
- \$560,209 - \$5,164,615
- \$5,164,615 - \$7,796,457
- At Least \$7,796,457
- No Claims Data Available

Data Source: Montana Medicaid Information System



Created By Amber D. Ball, DPHHS, Jan 11th 2012
Appears In Legislative Report On Medicaid Expenditures
Note: Number of distinct Medicaid recipients shown under county name.

School Based Services

The School Based Services program provides additional federal funding to provide health services in schools. The Office of Public Instruction and local schools participating in the program, certify the matching funds for the federal Medicaid expenditures. Schools provide some services directly and contract for others. Schools provide health-related services written into a child's individual education and treatment plan (IEP/ITP) such as: physical, occupational, and speech therapy, private duty nursing, audiology, personal care attendants, special needs transportation, and professional mental health services.

The Montana Medicaid Administrative Claiming (MAC) Program is a component of school-based services that allows school districts and cooperatives to be reimbursed for some of the costs associated with administration of school-based health services. Each school is responsible for certifying matching funds necessary to obtain federal resources.

Rural Health Clinics and Federally Qualified Health Centers

Rural Health Clinics (RHC) and Federally Qualified Health Centers (FQHC) are designated centers for Medicaid and Medicare reimbursement purposes that provide primary care and preventive services. A RHC or FQHC must be in a rural area that is designated as a healthcare professional shortage area or that has a medically underserved population. These facilities are reimbursed for their costs of providing care using a prospective payment system, based on the cost of providing care.

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2013 BIENNIUM:

Dental

Worked with *InsureKidsNow* to provide information about Medicaid services for families who need health insurance coverage. Montana's web page <http://www.insurekidsnow.gov/state/montana/> provides Montana families with information that is updated quarterly on Healthy Montana Kids (HMK) and HMK Plus benefits and dental providers who are currently accepting new patients.

Since the web page has been activated it has enabled the Department to meet its objective of maintaining adequate access to services by monitoring dentists accepting new patients and sharing this information with members.

Pharmacy

Expanded the State Maximum Allowable Cost (SMAC) pricing to more generic drugs. Savings from this change are estimated at \$2.6 million in general fund per year.

Added additional Preferred Drug List (PDL) classes to lower cost without sacrificing quality of care. The Department currently manages 140 categories of drugs in 76 different drug classes.

School Based Services

The Department enhanced the program's operational efficiency by introducing a web based data entry system, eliminating the administrative burden and cost of mailing paper forms. Seventy-five schools now participate and provide matching fund certification in the MAC program. The participating schools are located throughout the State.

Physician Services

Reimbursement was increased for primary care physicians performing primary care services as required by the Affordable Care Act. Reimbursement was increased for evaluation and management (office) visits to Medicare levels and vaccine administrations to new regional maximum levels. These reimbursement increases are funded with federal dollars in calendar years 2013 and 2014.

HEALTHY MONTANA KIDS PROGRAM OVERVIEW

On July 1, 2012 the Healthy Montana Kids (HMK) Program eligibility functions were assumed by the Human and Community Services Division, while benefit related activities remained within the Health Resources Division. The change allows the Department to consolidate eligibility determination for improved customer service and allows streamlined benefit coordination for enrolled children.

The Health Resources Division administers the provider services of HMK. Children who are eligible receive the following health care services: well child checkups; routine physicals; office and emergency visits, hearing and vision screenings, dental services, prescription drugs, mental health services and more.

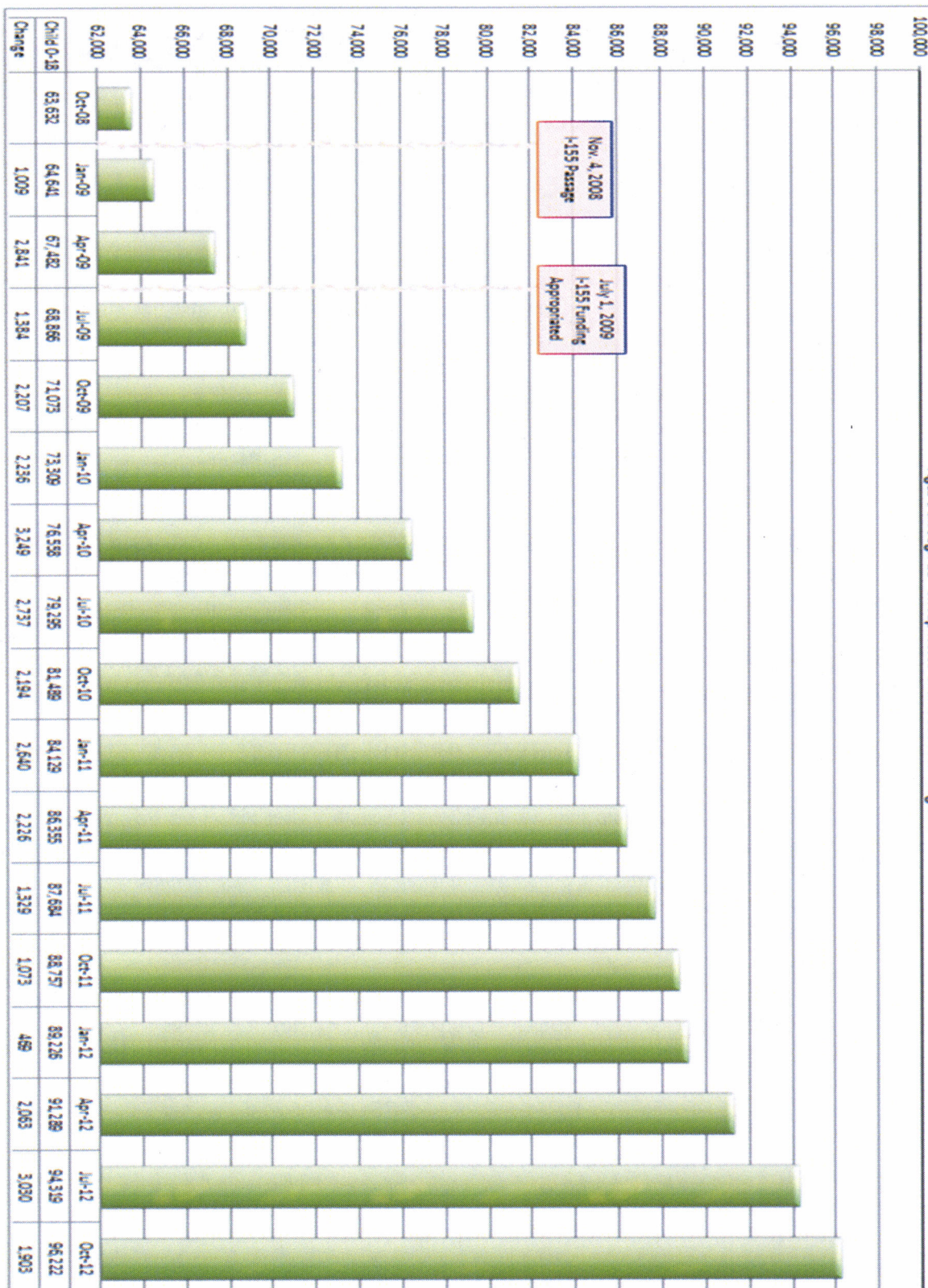
The Healthy Montana Kids coverage group (formerly CHIP) provides health care coverage for children with family income between 134-250% of the federal poverty level (FPL). The Healthy Montana Kids *Plus* coverage group (formerly children's Medicaid) covers children with family income between 0-100 % of FPL. There is also a CHIP funded Medicaid Program for children ages 6-18 with family income between 101-133% of FPL. Children who are enrolled in the HMK CHIP funded Medicaid coverage group receive Medicaid benefits but the benefit costs are paid by CHIP funds.

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2013 BIENNIUM

There are nearly 800 enrollment partners statewide with at least one "partner" in every Montana county. These enrollment partners offer hands-on assistance, if needed, in accessing or completing an HMK application, verifying supporting documentation, as well as continuing to champion the benefits the HMK program provides to Montana children. All Enrollment Partners and their corresponding contact information are listed on the HMK website at www.hmk.mt.gov.

The HMK coverage group submitted changes to its state plan in the Fall of 2012 to add new benefit services for enrolled members. They include: Non-emergency transportation, Durable Medical Equipment, Transplants, Cochlear Implants, Nutrition related counseling, Home Health, Hospice, Contraceptives, and Chiropractic. The newly covered services will benefit HMK enrolled children.

Healthy MT Kids and Healthy MT Kids Plus
Ages 0 through 18 - Unduplicated Clients Between Programs



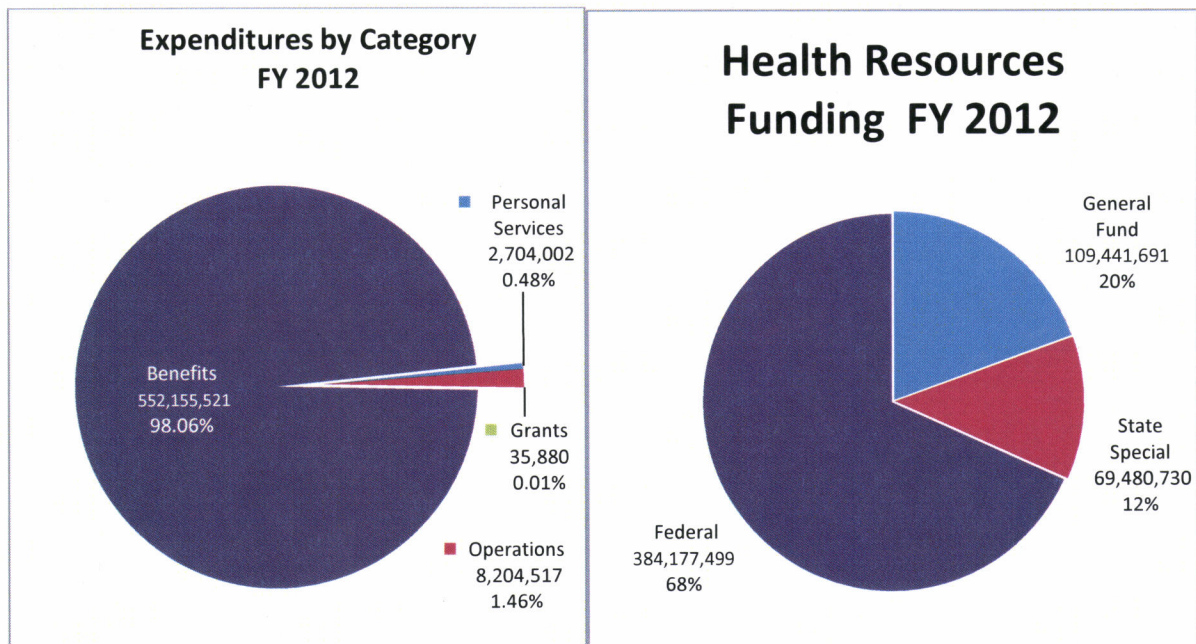
2015 BIENNIUM GOALS AND OBJECTIVES

Department of Public Health and Human Services Health Resources Division	
Goals and Objectives for the 2015 Biennium Submitted September 2012	
Goal: Assure necessary healthcare is available to all eligible Montanans.	
Objective	Measures
Reduce the number of uninsured Montana Children	<ul style="list-style-type: none">• The number of low to moderate income Montana children enrolled in the Healthy Montana Kids program is increased.
Objective	Measures
Maintain Systems to accurately and adequately pay for healthcare services	<ul style="list-style-type: none">• Modifications that maintain access and prevent adverse findings from program reviews are implemented.
Objective	Measures
Maintain adequate access to medical services for Medicaid	<ul style="list-style-type: none">• Provider networks are monitored and maintained at current levels with priorities for primary care providers
Objective	Measures
Finance healthcare for low income Montanans in accordance with state and federal directives	<ul style="list-style-type: none">• Favorable outcomes in program and financial reviews and audits are maintained.• Approved amendments to state Medicaid plans and waivers are maintained.

FUNDING AND FTE INFORMATION INCLUDES HMK (FORMERLY CHIP & MEDICAID CHIP-FUNDED PROGRAM)

	2012 Actual Expenditures	FY 2014 Request	FY 2015 Request
Health Resources Division			
FTE	55.00	55.00	55.00
Personal Services	\$2,704,002	\$3,300,874	\$3,301,113
Operating	\$8,204,517	\$8,644,559	\$8,777,561
Equipment	\$0	\$0	\$0
Grants	\$35,880	\$0	\$0
Benefits & Claims	\$552,155,521	\$616,579,842	\$656,655,487
Transfers	\$0	\$0	\$0
Debt Services	\$0	\$0	\$0
Total Request	\$563,099,920	\$628,525,275	\$668,734,161
General Fund	\$109,441,691	\$128,566,340	\$137,489,937
State Special Fund	\$69,480,730	\$66,684,421	\$69,080,738
Federal Fund	\$384,177,499	\$433,274,514	\$462,163,486
Total Request	\$563,099,920	\$628,525,275	\$668,734,161

THE FOLLOWING FIGURES PROVIDE FUNDING AND EXPENDITURE INFORMATION FOR FY 2012 FOR HEALTH RESOURCES DIVISION (INCLUDES HMK)



DECISION PACKAGES (SEE LFD BUDGET ANALYSIS, PAGES B-135 TO B-149)

PL 11201 Med Ben Core Caseload Physical Health

- This present law adjustment for caseload growth in the Health Resources Division covers the increase in the number of eligible members, utilization, acuity levels and cost per service for medical care.
- A few examples of services in caseload are inpatient, outpatient, dental, pharmacy, and physicians.
- Medicaid is an entitlement program and any person who meets eligibility criteria for the program is eligible for the program.
- LFD reference is on page B-136.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014	\$ 8,028,589	\$1,202,882	\$18,273,153	\$27,504,624
FY 2015	\$12,525,719	\$1,922,071	\$28,525,488	\$42,973,278
Biennium	\$20,554,308	\$3,124,953	\$46,798,641	\$70,477,902
Total				

PL 11202 Med Ben Other Caseload Medicare Buy-In

- This present law adjustment reflects expected increases in premiums for Medicare Part A and Part B that have been projected by the department.
- The program is mandated by federal law (Title XVIII of the Social Security Act) for all states with a Medicaid program.
- Medicare Buy-In is a cost effective program that allows state Medicaid programs to purchase Medicare coverage through premium payments for low income clients. Medicare then covers the cost of most services for the individual. Medicaid is only liable for the costs of non-Medicare covered services and for some co-insurance and deductibles related to services utilized.
- LFD reference is on page B-139.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014	\$ 670,733		\$ 1,317,803	\$1,988,536
FY 2015	\$1,287,459		\$ 2,523,845	\$3,811,304
Biennium	\$1,958,192		\$ 3,841,648	\$5,799,840
Total				

PL 11203 Med Ben Federal Caseload Physical Health

- This present law adjustment is for projected caseload growth and federal rate increases in the Medicaid Indian Health Service program and the School Based programs within the Health Resources Division.
- The Montana Indian Health Service is making a concerted effort to: a) identify and enroll in Medicaid eligible persons who are also Indian Health Service patients and b) to bill Medicaid for these dually eligible members.
- The program is funded with 100% federal funds.

- Under Federal rules, Indian Health Service is considered the payer of last resort. Accordingly, the Medicaid program must provide payment to the Indian Health Service or Indian Health Service providers for Native Americans who are also covered by Medicaid.
- LFD reference is on page B-140.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014			\$11,978,152	\$11,978,152
FY 2015			\$18,115,282	\$18,115,282
Biennium			\$30,093,434	\$30,093,434
Total				

PL 11204 Med Ben Other Caseload Clawback

- This present law adjustment provides the financing necessary to increase clawback payment subject to changes in caseload.
- The Medicare Modernization Act (MMA) requires the federal government to pay prescription drug costs for Medicaid members, who had previously been covered in part by states. States are required to pay back to the federal government a phased down contribution, known as clawback, of some of the costs that states no longer are expected to finance in benefits. The clawback amount is adjusted each year by CMS based on Montana's medical expenditures.
- LFD reference is on page B-140.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014	\$1,546,845			\$1,546,845
FY 2015	\$2,643,582			\$2,643,582
Biennium	\$4,190,427			\$4,190,427
Total				

PL 11206 Med Ben Other Caseload Hospital Utilization Fee

- The Montana Medicaid program has historically reimbursed Montana hospitals at a rate less than the cost of providing hospital services to the Medicaid clients. Federal regulations require hospitals to provide services to all citizens without regard to ability to pay and require hospitals to have a methodology in place to provide charity care to patients who do not have the ability to pay for the hospital services.
- The Hospital Utilization Fee is a method established by the hospitals to assess themselves a fee per inpatient day to use as a replacement for General Fund match with the Montana Medicaid Program. The state uses the utilization fee to match with federal allotment to increase hospital reimbursements at a rate closer to, but more than 100% of cost in the aggregate.
- In SFY 2012, Medicaid reimbursed hospitals at 76% of costs without the utilization fee. Including the Utilization fee, they were reimbursed at 97% of costs.
- The hospital utilization fee and the corresponding federal funding is distributed using Disproportionate Share Payments and Hospital Reimbursement Adjustment payments to allocate the payments to hospitals based on Medicaid inpatient days and Medicaid inpatient/outpatient charges.
- LFD reference is on page B-140.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014		\$1,349,987	\$2,652,347	\$4,002,334
FY 2015		\$1,351,988	\$2,650,346	\$4,002,334
Biennium		\$2,701,975	\$5,302,693	\$8,004,668
Total				

PL 11208 HMK Medicaid CHIP-Funded Caseload

- This present law adjustment reflects the caseload growth for the Healthy Montana Kids Medicaid CHIP-funded group (101-133% FPL). The caseload consists of the number of eligibles, utilization, and patient acuity levels.
- In order to properly establish the HMK Medicaid CHIP-funded coverage group for FY 2014 and FY 2015, caseload changes must be taken into account. The department utilizes a complex set of projections from several sources to try to account for these changes. Statistics and trends relating to monthly eligibility, type of provider, utilization of services, network access to providers, and health care inflation are taken into account in the Department's projections. Failure to account for changes in caseload could materially misstate the base budgets in FY 2014 and FY 2015.
- LFD reference is on page B-145.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014		\$2,022,077	\$ 6,535,170	\$ 8,557,247
FY 2015		\$3,624,219	\$11,706,657	\$15,330,876
Biennium		\$5,646,296	\$18,241,827	\$23,888,123
Total				

PL 11209 HMK Caseload

- This present law adjustment reflects the caseload growth for the Healthy Montana Kids (134-250% FPL). The caseload consists of the number of eligibles, utilization, and patient acuity levels
- In order to properly establish the HMK budget for FY 2014 and FY 2015, caseload changes must be taken into account. The department utilizes a complex set of projections from several sources to try to account for these changes. Statistics and trends relating to monthly eligibility, type of provider, utilization of services, network access to providers, and health care inflation are taken into account in the Department's projections. Failure to account for changes in caseload could materially misstate the base budgets in FY 2014 and FY 2015.
- LFD reference is on page B-145.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014	\$1,689,730	\$ 936,338	\$ 8,487,215	\$11,113,283
FY 2015	\$2,613,601	\$ 889,886	\$11,316,681	\$14,820,168
Biennium	\$4,303,331	\$1,826,224	\$19,803,896	\$25,933,451
Total				

PL 11211 Med Ben SSR Hold Harmless Adjustment

- This funding replaces the state special revenue that was received as a one-time-only appropriation.
- Last session, the appropriation was established to spend state special revenue from the Medicaid reserve account created in section 34 of HB 645 passed by the 2009 Legislature. States were allowed to set aside savings of a small portion of the enhanced federal Medicaid match (the hold harmless component). As stated in the 2011 session, the agency would need to request additional funds to continue services funded from this one-time appropriation.
- LFD reference is on page B-141.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014	\$ 8,492,260	(\$8,492,260)		\$0
FY 2015	\$ 8,492,260	(\$8,492,260)		\$0
Biennium	\$16,984,520	(\$16,984,520)		\$0
Total				

PL 11212 Big Sky Rx Caseload

- This request reflects changes necessary in the Big Sky Rx program in the Health Resources Division for caseload including the number of eligibles, utilization and premium payment adjustments.
- The Big Sky Rx enrollment is capped at 11,000 Montana seniors with incomes at or below 200% of poverty. The program is funded through I-149 tobacco tax. The program may pay up to \$34.61 per month for the Medicare prescription drug plan premiums
- LFD reference is on page B-149.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014		\$ 539,180		\$ 539,180
FY 2015		\$ 539,180		\$ 539,180
Biennium		\$1,078,360		\$1,078,360
Total				

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PL 11221 One-Time Settlement Costs

- This present law adjustment request reduces benefits expenditures that were incurred in FY 2012 for one-time settlement costs.
- One-time costs were for the Blanton Lawsuit & South Pointe lawsuit.
- LFD reference is on page B-141.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014	(\$4,536,911)		(\$2,998,089)	(\$ 7,535,000)
FY 2015	(\$4,536,911)		(\$2,998,089)	(\$ 7,535,000)
Biennium	(\$9,073,882)		(\$5,996,178)	(\$15,070,000)
Total				

PL 11401 Med Ben Core FMAP Physical Health

- This present law adjustment is necessary to maintain existing services for the Physical Health program in the Health Resources Division.
- The request adjusts the base year expenses from the FY 2012 FMAP (federal medical assistance participation) rate to the FY 2014 rate of 33.73% state funds and 66.27% federal funds and the FY 2015 rate of 33.78% state funds and 66.22% federal funds. The total cost for the program does not change.
- This decision package includes Breast and Cervical Cancer, Hospital Utilization Fee, and Ambulance IGT
- LFD reference is on page B-141.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014	\$ 663,642	(\$292)	(\$ 663,350)	\$0
FY 2015	\$ 843,538	(\$201)	(\$ 843,337)	\$0
Biennium	\$1,507,180	(\$493)	(\$1,507,687)	\$0
Total				

PL 11402 Med Ben Other FMAP Physical Health

- This present law adjustment is necessary to maintain existing services for the Other Physical Health programs in the Health Resources Division.
- The request adjusts the base year expenses from the FY 2012 FMAP (federal medical assistance participation) rate to the FY 2014 rate of 33.73% state funds and 66.27% federal funds and the FY 2015 rate of 33.78% state funds and 66.22% federal funds. The total cost for the program does not change.
- This decision package includes Drug Rebate, Hospital Utilization Fee, and Medicaid Buy In.
- LFD reference is on page B-141.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014	\$277,600	(\$100,266)	(\$177,334)	\$0
FY 2015	\$267,056	(\$ 68,933)	(\$198,123)	\$0
Biennium	\$544,656	(\$169,199)	(\$375,457)	\$0
Total				

PL 11403 HMK Medicaid CHIP-Funded FMAP

- This present law adjustment is necessary to maintain existing services for the Healthy Montana Kids program in the Health Resources Division.
- The request adjusts the base year expenses from the FY 2012 FMAP (federal medical assistance participation) rate to the FY 2014 rate of 23.63% state funds and 76.37% federal funds and the FY 2015 rate of 23.64% state funds and 76.36% federal funds. The total cost for the program does not change.
- LFD reference is on page B-146.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014		\$ 528,360	(\$ 528,360)	\$0
FY 2015		\$ 530,100	(\$ 530,100)	\$0
Biennium		\$1,058,460	(\$1,058,460)	\$0
Total				

PL 11404 HMK FMAP

- This present law adjustment is necessary to maintain existing levels of services for the Healthy Montana Kids program in the Health Resources Division.
- The request adjusts the base year expenses from the FY 2012 FMAP (federal medical assistance participation) rate to the FY 2014 rate of 23.63% state funds and 76.37% federal funds, and the FY 2015 rate of 23.64% state funds and 76.36% federal funds. The total cost for the program does not change.
- LFD reference is on page B-146.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014		(\$9,638)	\$9,638	\$0
FY 2015		(\$ 4,571)	\$ 4,571	\$0
Biennium		(\$14,209)	\$14,209	\$0
Total				

PL 11601 Med Admin MAC/MAM Contractual Inflationary Adjust

- This present law adjustment is made to maintain existing levels of services for the Medicaid administrative matching program in the Health Resources Division.
- The request adjusts the base year expenses from the FY 2012 level. The adjustment is necessary to provide the Medicaid Administrative Claiming and Medicaid Administrative Match funding to schools and tribal nations for Medicaid.
- LFD reference is on page B-141.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014			\$107,872	\$107,872
FY 2015			\$164,247	\$164,247
Biennium			\$272,119	\$272,119
Total				

PL 11602 Med Admin CPI Contractual Inflationary Adjust

- This present law adjustment is made to maintain existing levels of services for the Medicaid program in the Health Resources Division. The request adjusts the base year expenses from the FY 2012 level. The adjustment is necessary to provide current Medicaid contracts services. This service is funded with 50% general fund and 50% federal funds.
- LFD reference is on page B-142.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014	\$46,908		\$46,908	\$ 93,816
FY 2015	\$46,908		\$46,908	\$ 93,816
Biennium	\$93,816		\$93,816	\$187,632
Total				

NP 11217 Transportation for Deceased Clients

- The new proposal is to cover the costs of returning the remains of Medicaid/Health Montana Kids clients to their home communities. Periodically, clients are referred for out of area medical services, but expire before returning to their home communities.
- This new proposal is contingent on passage of legislation (HB 119). This service is funded with 100% general fund.
- LFD reference is on page B-142.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014	\$ 53,933			\$ 53,933
FY 2015	\$ 53,933			\$ 53,933
Biennium	\$107,866			\$107,866
Total				

NP 11218 HMK Additional Services

- This new proposal is to cover additional benefit costs for Healthy Montana Kids members to obtain necessary services in the HMK program.
- The new services are: non-emergency transportation, durable medical equipment, nutrition, home health, hospice, obesity, chiropractic, contraceptives and cochlear implants.
- These services are funded with 23.63% general fund and 76.37% federal funds for FY 2014 and 23.64% general fund and 76.36% federal funds for FY 2015.
- LFD reference is on page B-146.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014		\$356,117	\$1,126,469	\$1,482,586
FY 2015		\$382,356	\$1,189,184	\$1,571,540
Biennium		\$738,473	\$2,315,653	\$3,054,126
Total				

NP 11901 Provider Rate Increase - HMK Group

- This new proposal requests a 2% provider rate increase in each year of the biennium Health Resources Division for the HMK Group (FPL level 134-250%).
- LFD reference is on page B-146.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014		\$28,360	\$ 91,656	\$120,016
FY 2015		\$57,311	\$185,122	\$242,433
Biennium		\$85,671	\$276,778	\$362,449
Total				

NP 11902 Provider Rate Increase - Medicaid Core

- This new proposal requests a 2% provider rate increase in each year of the biennium Health Resources Division for the Medicaid Core programs.
- LFD reference is on page B-142.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014	\$1,563,607		\$3,086,642	\$ 4,650,249
FY 2015	\$3,158,642		\$6,230,405	\$ 9,389,047
Biennium	\$4,722,249		\$9,317,047	\$14,039,296
Total				

NP 11903 Provider Rate Increase – HMK Medicaid CHIP-Funded Group

- This new proposal requests a 2% provider rate increase in each year of the biennium Health Resources Division for the HMK Medicaid CHIP-Funded Group (FPL level 101-133%).
- LFD reference is on page B-147.

Fiscal Year	General Fund	State Special	Federal	Total Request
FY 2014		\$ 46,739	\$151,057	\$197,796
FY 2015		\$ 94,454	\$305,097	\$399,551
Biennium		\$141,193	\$456,154	\$597,347
Total				

LEGISLATION

The Division has the following legislation:

The department requested a new proposal which would contingent upon the passage and approval of HB 119. This legislation would allow the costs of returning the remains of Medicaid/Health Montana Kids clients to their home communities. Periodically, clients are referred for out of area medical services, but expire before returning to their home communities.